

# New York State Competitive Grants: Creating a System of Education Winners and Losers

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During this prolonged recession school districts throughout New York State are increasingly under financial pressure to do more with less. Districts in high poverty communities are under even greater stress as they struggle to meet the learning needs of the students they serve. It is unwise and unfair for the State of New York to provide funding to schools on a competitive basis when it is already clear that many schools are desperate for support.

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This study highlights the significant downside of the introduction of competitive grants into the New York school finance system. It makes a strong case that these grants have actually been substituted for aid programs, such as the Foundation Formula, which distribute school aid based on student need and district wealth. The sad irony is that these grants are diverting resources away from high need school districts and are unlikely to produce the innovation, which is their primary justification.

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I tell my students, “A great thing about teaching is that we do not choose our students. We teach everyone before us.” Neither should the state choose among its school districts. New York has the shameful distinction of being a leader in educational inequality in terms of shortchanging students in high-poverty schools. Let’s address this resource-based problem, not exacerbate it through competitive grants.

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# **New York State Competitive Grants**

## **Creating a System of Education Winners and Losers**

### **Key Findings**

- Competitive grants create a system of educational winners and losers among students, instead the state should be guaranteeing all students access to high quality programs.
- Competitive grants are inequitable. Only 19 out of 202 high needs school districts even applied for funding through the competitive grants, whereas 100% of them would receive funding had this money been put through the foundation aid formula.
- While the competitive grants do prioritize high quality educational programs including academically excellent middle schools, college level courses in high school, career and technical education, and increasing the number of students graduating with Regents Diplomas with Advanced Designation, these exact types of programs have been cut from schools statewide as a result of state budget cuts.
- Test scores are the single largest factor in awarding competitive grants meaning that when students take tests they are competing with each other for access to high quality educational opportunities. Making schools compete for funding based upon test scores will result in more teaching to the test.

### **Recommendations**

- There is \$100 million in funding that is earmarked for additional competitive grants this year and next, that money should instead be invested directly in schools based on student need, without a winner and loser competition between students. Over three years the amount of competitive grant funds that should instead be invested in schools based on student need is \$300 million.
- In order to ensure high quality programs, the state should distribute these funds to schools based on student need and could require that school districts use this money for academically excellent middle schools, college level courses in high school, career and technical education, and increasing the number of students graduating with Regents Diplomas with Advanced Designation.

### **Making Students Compete for a Shrunk Pot of Classroom Resources?**

None of New York's public school students should be denied the opportunity for a high quality education, and all the resources it takes to provide it. In 2007, the New York State Governor and Legislature enacted a statewide resolution to the Campaign for Fiscal Equity (CFE) lawsuit and CFE's call for a new way to parcel out state money to New York's school districts. The resolution converted over 30 different school aid formulas into one formula based on student need and school district wealth. The state committed to billions in new classroom operating aid over four years—but broke that promise. The purpose of the CFE resolution was explicitly to address the significant gaps in educational resources between school districts across the state. Because the program had strings attached to funds, CFE funding was invested in successful

programs focused on pre-kindergarten, high school and middle school reform, quality teaching initiatives, class size reduction, and programs for English language learners. Several of the programs implemented were very similar to the programs promoted by competitive grants including career and work study programs, middle school technology programs, and early college programs.

Now, through the competitive grants programs students in different school districts compete with each other for test scores to let a few of them win back some of the same programs that were cut. The rest lose out.

For two years the state met its obligations and effective reforms were being implemented across the state. But in 2009, as a result of the fiscal crisis, school aid was frozen. Over the following two years the state enacted \$2.7 billion in cuts--reversing the progress made by the Campaign for Fiscal Equity. In a waste of government resources, the very programs that were created had to be cut. Now, through the competitive grants programs students in different school districts compete with each other for test scores to let a few of them win back some of the same programs that were cut. The rest lose out.

### **Competitive Grants: Widening the Opportunity Gap**

The dramatic state school cuts have hurt almost all students across New York, and the opportunity gap between students with access to resources, and those without has grown even larger as a result. The competitive grants are furthering widening the funding gap. The opportunity gap widened as cuts were as much as 10 to 20 times larger per pupil in poor districts than in wealthy ones.<sup>1</sup>

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### **The School District Performance Improvement Competitive Grant Program**

The “School District Performance Improvement Competitive Grant Program” will award \$25 million to a limited number of school districts to receive three-year grants to develop or expand programs for middle and high school students. All school districts would have had access to funding had it been distributed through the foundation aid formula. Of the 677 school districts in the state, only 73, or 10% competed for this funding. The remaining 90% determined they were either ineligible to secure funding or that they did not have the necessary grant writing capacity to respond to the competition.

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<sup>1</sup> <http://www.aqeny.org/policy/>

According to the State’s “Request for Proposals” (RFP)<sup>2</sup> which lays out the purposes for the grant, and the rubric through which district applications are scored, competitive grant funds can be used to create or maintain effective educational programs in four areas:

1. *A Focus on Middle Schools*
2. *Increasing Access to College level or Early College Programs*
3. *Increasing the Number of Students who Graduate with a Regents Diploma with Advanced Designation, and*
4. *Expanding Career and Technical Education (CTE) Programs*

These are critical and important areas that are documented in research, to be effective for preparing students for college and beyond. In designing these program areas the New York State Education Department relied on educational research to prioritize quality educational programming. For example, research cited in grant programs shows that:

- Middle grades programs have tremendous impact on student’s success in high school and beyond.<sup>3</sup>
- Students who successfully complete college-level courses increase their readiness for college study.<sup>4</sup>
- A strong high school program, including completion of at least Algebra 2 and three years of laboratory science is the strongest predictor of success in college.<sup>5</sup>
- Career and Technical Education courses can dramatically cut dropout rates and increase future earnings for students taking these courses.<sup>6</sup>

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<sup>2</sup> Available at: <http://www.p12.nysed.gov/funding/2012-15perfimp/>

<sup>3</sup> Robert Balfanz, 2009, “Putting Middle Grades Students on the Graduation Path: A Policy and Practice Brief,”

[http://www.amle.org/portals/0/pdf/research/Research\\_from\\_the\\_Field/Policy\\_Brief\\_Balfanz.pdf](http://www.amle.org/portals/0/pdf/research/Research_from_the_Field/Policy_Brief_Balfanz.pdf)

Michael E. Wonacott, “Dropouts and Career and Technical Education,” in *Myths and Realities*, ERIC Clearinghouse on Adult, Career, Vocational Education (Columbus, OH: Center on Education and Training for Employment, 2002). James Kemple, *Career Academies: Impacts on Labor Market Outcomes & Educational Attainment* (New York: MDRC, 2004). Marsha Silverberg, et al., *National Assessment of Vocational Education: Final Report to Congress* (Washington, D.C.: U.S. Department of Education, Policy and Program Studies Service, June 2004).

<sup>4</sup> Picucci, A., & Sobel, A. (2002). Executive Summary: Collaboration, innovation, and tenacity: Exemplary high-enrollment AP Calculus programs for traditionally underserved students. Austin, TX: Charles A. Dana Center.

<sup>5</sup> Adelman, C. *The Toolbox Revisited: Paths to Degree Completion from High School Through College*, Washington, D.C.: U.S. Department of Education, 2006. <http://www2ed.gov/rshstat/research/pubs/toolboxrevisit/toolbox.pdf>, p. 36

<sup>6</sup> Michael E. Wonacott, “Dropouts and Career and Technical Education,” in *Myths and Realities*, ERIC Clearinghouse on Adult, Career, Vocational Education (Columbus, OH: Center on Education and Training for Employment, 2002). James Kemple, *Career Academies: Impacts on Labor Market Outcomes & Educational Attainment* (New York: MDRC, 2004). Marsha Silverberg, et al., *National Assessment of Vocational Education: Final Report to Congress* (Washington, D.C.: U.S. Department of Education, Policy and Program Studies Service, June 2004).

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- Students who successfully complete college-level courses increase their readiness for college study.
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- Career and Technical Education courses can dramatically cut dropout rates and increase future earnings for students taking these courses.

The idea of investing state education dollars in programs that have a strong record of success based upon educational research is exactly what was intended by the Contract for Excellence. The State Education Department deserves credit for identifying proven high quality educational initiatives for the competitive grants. However, as a matter of state policy, and in fulfillment of our constitutional responsibility to educate every child, *all* students should have access to robust programs in these areas—not only those whose school districts are winners in a grant writing competition.

### Creating a System of Winners & Losers

Competitive grants, by definition, create winners and losers. There are 677 school districts in New York State (708, if you count New York City's 33 community school districts separately, as we have below). Under the competitive grants program, the size of grant awards for winning districts varies based on enrollment:

Enrollment Range	Maximum Size of Annual Grant	Total 3-year Maximum Award per District	Number of NYS Districts in this size range	Cost of Maximum Funding for Each District (one year)
100,000 plus	\$10,000,000	\$30,000,000	1*	
17,500 – 99,999	\$1,500,000	\$4,500,000	31	\$46,500,000
7,500 – 17,599	\$1,200,000	\$3,600,000	36	\$43,200,000
5,000 – 7,499	\$900,000	\$2,700,000	51	\$45,900,000
2,500 – 4,999	\$600,000	\$1,800,000	131	\$78,600,000
1,500 – 2,499	\$400,000	\$1,200,000	126	\$50,400,000
750 – 1,499	\$200,000	\$600,000	184	\$36,800,000
Fewer than 750	\$100,000	\$300,000	149	\$14,900,000
Cost for one-year full-funding for all districts: \$316,300,000				

\* In the table above, we assume full funding, based on enrollment, for each of NYC's community school districts, therefore, in accordance with the RFP rules we assume no separate funding for NYC Department of Education as a whole.

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However, the state is offering grants of \$25 million this year and \$37.5 million next year. The total of the two grant cycles would be \$62.5 million. If it requires \$316 million to serve all 2.7 million students in the state, \$62.5 million only provides only 20% of the necessary resources. In other words while up to 20% of the students will be winners, at least 80% will be losers who are denied access to the high quality education programs promoted by the grants. This money is better spent through the foundation aid formula, which guarantees that everyone is winner.

In addition, NYS announced in last April a Request for Proposals (RFP) for the **District Management Efficiency** competitive grants. This program, through a competitive process, reimburses school districts for finding ways to reduce cost without jeopardizing educational quality. Specifically, these grants require school districts to show savings in non-personnel, administrative, and transportation without causing a decrease of student achievement. Each school district must calculate its cost per pupil amount to help determine whether current activities are hurting students. This year the state plans to award \$25 million a year for three years under this program, though no funds have yet been awarded. Next year the state has proposed to add another round of grants funded \$37.5 million a year. While the RFP has been issued, no funding has been awarded to any school district yet--this funding should instead be redirected to all school districts through the foundation aid formula.

The three years of \$25 million in annual funding that the state will likely be awarding this month through competitive grants should not be taken back from the school districts shall be awarded them shortly. However, the \$25 million that has yet to be awarded in the management efficiency grants and the \$75 million in additional competitive grants funds (\$37.5 million in each of the two competitive grant programs) should instead be invested directly in high needs schools without a competition. This \$100 million annually, \$300 million over three years, could have strings attached in order to require that school districts use this money for academically excellent middle schools, college level courses in high school, career and technical education, and increasing the number of students graduating with Regents Diplomas with Advanced Designation. However, it should be awarded to school districts based on students' constitutional right to a quality education. Rather than distributing these funds through a competition that creates winners and losers, they should be distributed through the CFE funding formula which is based on student need and grants all students with the constitutional right to a sound basic education.



### Test Scores First, Student Need Last

According to the rubric for awarding competitive grants the single largest area in which districts can score points are test scores and graduation rates—and seventy percent of these “student performance” points are based solely on test scores.<sup>7</sup>

Points awarded for:	Test Scores and Graduation Rates	District Need	Program Description	Budget Form and Budget Narrative	Total
Maximum points	50	10	35	20	115

Standardized tests are designed for the sole purpose of determining whether students are on pace with their learning, and to identify areas where they might need extra help. However test scores are currently being used for a range of high-stakes decisions: whether whole schools will be labeled as “failing,” school closings, to determine which principals and teachers are fired and to decide which schools should receive state funding and which should not. The increased emphasis on test scores has resulted in more teaching to the test. This approach is out of synch with the approaches of those nations that lead the world in educational outcomes.

“Teachers who teach complex skills to their students that are not measured on the standardized test they must give are sometimes penalized because they are not sticking to the schedule for teaching much lower basic skills. These are all examples of perverse incentives, that is, positive incentives for lowering, not raising, achievement. Our education system is rife with such perverse incentives. High-performing education systems typically have far fewer perverse incentives than the American system.”

--Marc S. Tucker, *Standing on the Shoulders of Giants: An American Agenda for Education Reform*, National Center on Education and the Economy

<http://www.ncee.org/wp-content/uploads/2011/05/Standing-on-the-Shoulders-of-Giants-An-American-Agenda-for-Education-Reform.pdf>

Under the competitive grants program, test scores play an out-sized role in determining which districts receive funding. **Now, when students sit down to take state tests, rather than simply assessing how they are doing and identifying where they might need additional help, they are competing against students in other districts across the state for access to guidance counselors, AP courses, career and technical education, more highly trained teachers or extended learning time.**

<sup>7</sup> <http://www.p12.nysed.gov/funding/2012-15perfimp/home.html>

**New York State should identify more effective measurements of whether schools are preparing students for college and careers. By themselves, test scores are simply inadequate. Among the additional measurements should be:**

- Actual college enrollment rates of graduates
- College remediation rates of graduates
- Access to and enrollment in Advance Placement courses,\* high quality electives including the arts, college prep courses, and Career and Technical Education
- Access to high quality educational pre-kindergarten programs
- Access to quality extended learning time opportunities including longer school day and school year and/or after school programs
- Access to and participation in extracurricular activities that improve college acceptance rates
- Access to guidance counseling focused on students' post graduation plans
- School attendance rates and school suspension rates

### **Grant Writing Skills Count: Program Description and Budget Sections**

The ability to write a good program description that complies with the guidelines of a competitive grants program is not the same as the ability to design and successfully implement high quality education programs. The former requires strong grant writing skills; the latter is a measure of educational leadership and which requires hands-on observation to assess. In addition, creating budgets and budget narratives are core skills of any successful grant writer. Competitive grants programs naturally reward skilled grant writing. Lower wealth school districts, which have borne the brunt of the budget cuts of the last two years, often cannot afford to hire costly grant writers. Thirty-five points are based upon the program description and another twenty are based upon the budget and budget narrative. When the differences between a winning a losing application is based upon only a few points difference in scoring there is no way to be confident that the difference is based upon the quality of programming as opposed to the quality of the grant writing.

### **Student Need is the Least Significant Factor Determining which Schools Receive Funding**

Schools districts across New York State are struggling to build or maintain high quality programs for their students. The challenge is much greater in high need districts, whether they are rural, suburban or urban. New York State has the fourth largest gap nationally in spending between rich and poor districts.<sup>8</sup> While student need is the largest factor in determining funding under the foundation formula, it is the least significant factor in determining which districts receive competitive grants funding accounting for only 10 points.

### **Competing to Replace Programs that Have Been Cut**

While promoting high quality educational programs must be a high priority for state educational policies, recent state cuts have actually reduced the very programs that the competitive grants seek to promote.

- Advance Placement (AP) Courses are a key mechanism for providing students with college-level course work, one of the education priorities outlined in this grants program.

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<sup>8</sup> \* <http://www.parcconline.org/sites/parcc/files/PARCC%20CCR%20paper%20v14%201-8-12.pdf>

But 41% of NY school districts report that budget cuts have resulted in “some negative impact” or “severe negative impact” on the availability of Advanced or Enrichment Courses.<sup>9</sup> 43.5% of school districts report cutting high school electives.<sup>10</sup>

- While career and technical education (CTE) is recognized as a critical component in helping prepare students for careers, 17% of school districts have reduced career and technical education courses due to budget shortfalls.<sup>11</sup>
- Professional Development for Teachers—Districts must outline a robust program of professional development for teachers in order to score well in the competitive grant program. But 59% of school districts cut teacher professional development due to state budget cuts, the third consecutive year that budget cuts have resulted in cuts to professional development.<sup>12</sup>
- The competitive grants program scores district applications higher if the district is prepared to provide students with a range of additional supports they need to meet state standards in English Language Arts, math and science. But as a result of budget cuts, 59% of districts report that “extra help for students who need it” was cut back. Specifically 33% reported reducing extra help for students during the regular school day or year and 36% reported reducing summer school. In New York City 56% of the schools reduced Academic Intervention Services and 21% of schools reduced services to English Language Learners. Statewide, 63% of districts reported increasing class sizes just this school year. Larger classes mean less personal attention for struggling students.<sup>13</sup>
- Academic and Guidance Services to prepare students for college are worth points in the grant program, but have been cut back in many districts. Rural schools reported that they have eliminated an average of 10.8% of non-teaching student support positions. In urban districts, that figure is around 9%.<sup>14</sup>

In fact, budget cuts to education in New York State over the past few years have resulted in programs like these being severely restricted or eliminated. The grants program correctly identifies these areas as priorities. Research provides abundant support that these strategies produce sustainable student success. Instead of funding just a few districts to implement (or re-implement) programs that work, the State must fund all districts adequately so they provide all students with the opportunity to learn and with access to a sound basic education.

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<sup>9</sup> “At the Edge,” NYSCOSS, page 12

<sup>10</sup> NY State School Boards Association and NYS Association of School Business Officials survey *99% of School Districts Tap Reserves*, May 7, 2012 *99% of School Districts Tap Reserves*

<sup>11</sup> *ibid*

<sup>12</sup> “At the Edge,” NYSCSS, page 11

<sup>13</sup> “At the Edge,” NYSCSS, page 12

<sup>14</sup> “At the Edge,” NYSCSS, page 11

## APPENDIX

### Applicants

#### 2012-2015 School District Performance Competitive Grant Program

DISTRICT NAME	DISTRICT NAME
AKRON CSD	NORTH BABYLON UFSD
AUBURN CITY SD	PINE PLAINS CSD
BARKER CSD	PITTSFORD CSD
BEAVER RIVER CSD	PORT CHESTER-RYE UFSD
BERNE-KNOX-WESTERLO CSD	QUEENSBURY UFSD
BOLIVAR-RICHBURG CSD	RAVENA-COEYMANS-SELKIRK CSD
BRENTWOOD UFSD	ROCHESTER CITY SD
BRIGHTON CSD	ROCKY POINT UFSD
BROOKHAVEN COMSEWOGUE	ROTTERDAM-MOHONASEN CSD
BRUSHTON-MOIRA CSD	RUSH-HENRIETTA CSD
CAMPBELL-SAVONA CSD	RYE NECK UFSD
CAZENOVIA CSD	SACHEM CSD
CLEVELAND HILL UFSD	SCHODACK CSD
DEER PARK UFSD	SHENENDEHOWA CSD
DUNKIRK CITY SD	SHERMAN CSD
EDMESTON CSD	SMITHTOWN CSD
ELBA CSD	SOLVAY UFSD
ELDRED CSD	SOUTH ORANGETOWN CSD
FARMINGDALE UFSD	SPENCERPORT CSD
FREWSBURGH CSD	SPRINGS UFSD
FULTON CITY SD	STARPOINT CSD
GALWAY CSD	UFSD OF TARRYTOWNS
GENEVA CITY SD	UNADILLA VALLEY CSD
GREENBURGH-GRAHAM UFSD	UNIONDALE UFSD
GREENWICH CSD	VALLEY STREAM UFSD #30
HAMBURG CSD	VESTAL CSD
HOLLAND PATENT	WAPPINGERS CSD
IROQUOIS CSD	WARWICK VALLEY CSD
ITHACA CITY SD	WEST HEMPSTEAD UFSD
JORDAN-ELBRIDGE CSD	WHITE PLAINS CITY SD
LONG BEACH CITY SD	WHITEHALL CSD
LYNDONVILLE CSD	YORKSHIRE-PIONEER CSD
MAYFIELD CSD	
MCGRAW CSD	
MIDDLETOWN CITY SD	
MILFORD CSD	
MILLER PLACE UFSD	
MONROE-WOODBURY CSD	
MORRIS CSD	
NEW YORK CITY DEPT OF EDUC	
NEWFANE CSD	
NEWFIELD CSD	

## Scoring

Districts and applications will be scored as follows, out of a potential total of 115 points:

### 1. Academic Performance (50 points)

The gains districts have made between the 2009-10 and 2010-11 schools years in increasing performance of elementary and middle school students in English language arts, mathematics and science and in increasing the percentage of students who graduate with a local or Regents diploma within four years of their first entry into Grade 9. (See Appendix 2 for an explanation of how the scores for Academic Performance are computed).

For purposes of this RFP, the metrics for measuring student performance are:

- a. Elementary and Middle Level English Language Arts Performance Index
- b. Elementary and Middle Level Mathematics Performance Index
- c. Elementary and Middle Level Science Performance Index
- d. Four Year High School Graduation Rate, defined as the percentage of the annual graduation rate cohort that earns a high school diploma (with or without a Regents endorsement) by August 31<sup>st</sup> of the fourth calendar year after first entering grade 9.

### 2. Priority Area Programs (35 points)

Districts must submit a program narrative containing a high quality plan in one or more of the following priority area(s) based upon practices that have been demonstrated to be effective in, or show the most promise for, increasing student performance, narrowing the student achievement gap, and increasing academic performance among students with the greatest educational needs.

The priority areas are:

- a. Middle School Programs
- b. College Level or Early College Programs
- c. Increased College Admission Rates, Measured by Graduation with Regents Diplomas with Advanced Designation
- d. Career and Technical Education Programs

For purposes of this RFP, a high-quality plan is defined as one that describes in detail how the funds received will be expended to support activities and strategies to improve student achievement, demonstrates how these activities will enhance teaching and learning for all students enhance teaching and learning for all students, especially those with the greatest educational needs, and provides evidence that the district has the capacity to fully and effectively implement the activities in the plan.

Districts may apply for funding for any one or combination of the above programs. A separate program narrative must be completed for each priority area addressed. An applicant's score for

this section will be based upon the average of the scores for the programs for which the applicant applies. Applicants submitting a well-developed comprehensive proposal for one priority area will receive a higher score than an applicant submitting less developed proposals for several areas.

### **3. District Need (10 Bonus Points)**

The district's need as measured by its Need Resource Capacity Category and the Percentage of Students in the district who are free or reduced lunch eligible. See Appendix 3 for how bonus points are computed.

### **4. FS-10 Budget Form and Budget Narrative (20 Points)**

The applicant must complete the FS-10 budget form, including the original signature of the Superintendent. In addition, a budget narrative explaining the relationship between the proposed expenditures and project activities and goals must be submitted. Please include a description of how the funds will be expended in each Priority Area for which the applicant applies. The budget narrative and FS-10 budget will be reviewed and scored.

The FS-10 Budget Form and information about the categories of expenditures, general information on allowable costs and applicable federal costs principles and administrative regulations are available in the [Fiscal Guidelines for Federal and State Aided Grants](http://www.oms.nysed.gov/cafe/guidelines.html) (<http://www.oms.nysed.gov/cafe/guidelines.html>)